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## FISCAL IMPACT REPORT

SPONSOR Nunez DATE TYPED 02-07-05 HB 257

SHORT TITLE NMSU Pink Bollworm Control Program SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$400.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act. Duplicates SB249

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (NMDA)  
New Mexico Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of Bill

House Bill 257 –Making an Appropriation for a Pink Bollworm Control Program – appropriates \$400,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 for the New Mexico Department of Agriculture to match pink bollworm control districts' expenditures pursuant to the Pink Bollworm Control Act. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

#### Significant Issues

NMDA indicates the pink bollworm – an insect pest that feeds directly within cotton bolls – is now found in all cotton production areas of New Mexico (approximately 70,000 acres). It is an economic pest in Luna, Sierra, Chaves, and Eddy counties (approximately 26,000 cotton acres), and, prior to eradication efforts, a significant economic pest in Dona Ana County. Because of

the importance of area-wide management of pink bollworm, as opposed to individual producer management, cotton producers in Dona Ana, Luna and Sierra counties voted to create a pink bollworm control district. The district is currently working with the United State Department of Agriculture's Animal and Plant Health Inspection Service and cotton producers in west Texas and northern Mexico on an area-wide eradication program.

After three years of eradication efforts in south central New Mexico – Dona Ana, Luna, and Sierra counties – NMDA estimates that pink bollworm populations have decreased approximately 97 percent. Correspondingly, these efforts have resulted in increased cotton production and helped restore a margin of profitability that existed prior to the establishment of pink bollworm in the area. It is estimated the cost to producers for eradication efforts is \$1.3 million over a three year period. Similar eradication programs have been successful in Arkansas, Louisiana, Tennessee, Missouri, and California.

CHE indicates that the Pink Bollworm Control Program was appropriated \$50,000 of non-recurring funds from the 2004 legislative session.

This program was not included in the CHE *2005-2006 Higher Education Funding Recommendation*.

### **FISCAL IMPLICATIONS**

Funding would be distributed by NMDA to pink bollworm control districts established under the Pink Bollworm Control Act, Chapter 76, Article 6B, NMSA 1978, to assist in the development and implementation of programs necessary for pink bollworm eradication.

The appropriation of \$400,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

NMDA would retain oversight of the program.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for New Mexico State University in the General Appropriations Act.

Duplicates SB249 in that SB249 also seeks to appropriate \$400,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 for the New Mexico Department of Agriculture to match pink bollworm control districts' expenditures pursuant to the Pink Bollworm Control Act.

**BFW/njw**